



City of Milpitas

**Landscaping and Lighting Maintenance Assessment District
No. 95-1**

Fiscal Year 2015/16 Annual Report

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CITY OF MILPITAS
LANDSCAPING AND LIGHTING MAINTENANCE ASSESSMENT DISTRICT NO. 95-1
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1. INTRODUCTION

In 1995 the City Council of the City of Milpitas (the "City"), State of California, under the Landscaping and Lighting Act of 1972 (the "Act"), created the City of Milpitas Maintenance Assessment District No. 95-1 (the "District"). The District was formed in order to provide for the continued maintenance, operation, and administration of various improvements within the boundaries of the District.

The City Council has directed NBS to prepare and file a report for Fiscal Year 2015/16 in accordance with Chapter 1, Article 4 of the Act presenting plans and specifications describing the general nature, location and extent of the improvements to be maintained; an estimate of the costs to maintain, operate, and service the improvements for the District for the referenced fiscal year; a diagram for the District showing the area and properties to be assessed; and an assessment of the estimated costs to maintain and service the improvements, stating the net amount to be assessed upon all assessable lots or parcels within the District in proportion to the special benefit received.

The following assessments have been levied in accordance with the assessment methodology adopted and approved by the City Council at the time of District formation, and are made to cover the portion of the estimated costs of maintenance, operation, and servicing of the improvements, to be paid by the assessable real property within the District in proportion to the special benefit received:

District	Parcels	2015/16 Maximum Assessment Rate per Lot Square Foot (1)	2015/16 Actual Assessment Rate per Lot Square Foot	Net Amount to be Assessed (2)
LLMAD 95-1	36	\$0.0404	\$0.02464	\$290,738.36

(1) The April 1, 2015 CPI was not available at the time of writing of this Report. The Fiscal Year 2015/16 CPI increase was estimated by using the February 2015 CPI.

(2) Amounts placed on the tax roll include the 1% Santa Clara County Collection Fee.

2. PLANS AND SPECIFICATIONS

The District provides for the continued administration, maintenance, operation, and servicing of various improvements located within the public right-of-way and dedicated easements within the boundaries of the District.

2.1. Location Of Improvements

The District is located on the west side of the City of Milpitas, bounded on the east by State Route 880, on the west by Coyote Creek, on the south by State Route 237, and on the north by Dixon Landing Road. The improvements maintained include public landscaping and irrigation improvements, including jogging paths, pedestrian lighting, gateway improvements, and entry signage, which are primarily situated within the public right-of-way and dedicated public by easements within the District.

2.2. Landscaping Improvements

Landscaping, pedestrian lighting, gateway and signage improvements were installed along the roadways and sidewalks within the District in order to enhance the overall visual appearance for adjacent parcels.

The improvements within the District consist of the maintenance and installation of any or all public landscaping and irrigation improvements adjacent to curbs of the following described streets, including jogging paths, planter walls, grass berms, pedestrian lighting and appurtenant irrigation systems, ornamental planting including lawns, shrubs, and trees; installation and maintenance of gateway columns and entry signs; such maintenance includes all necessary repairs, replacements, water, electric current, spraying, care, supervision, debris removal and all other items of work necessary and incidental for property maintenance and operation thereof. The landscaping, irrigation, pedestrian lighting, gateway and signage improvements are collectively referred to as "landscaping improvements". All such work will be performed in the following areas:

N. McCarthy Boulevard

1. A strip of land including an earth berm approximately 50 feet in width from face of each curb line, from the southerly connection with Ranch Drive northerly 2,400 feet, more or less, to the northerly connection with Ranch Drive. A strip of land including a grass berm approximately 35 feet in width, west of the face of westerly curb, along the West Side of N. McCarthy Boulevard, from the southerly connection with Ranch Drive, northerly 2,400 feet, more or less. The initial phase includes a strip of land 6 feet wide on the west side of McCarthy Boulevard.
2. Commencing at a location approximately 2,400 feet north of State Route 237 thence proceeding north to the northern boundary of Lands of N. McCarthy, 7,800 feet more or less, a strip of land approximately 27 to 34 feet in width on each side along the east and west sides of McCarthy Boulevard between the northerly connection with Ranch Drive and Dixon Landing Road.
3. A median island from the southerly intersection with Ranch Drive northerly to the intersection with Dixon Landing Road.
4. Gateway Improvements, at the southerly intersection of N. McCarthy Boulevard and Ranch Drive and southerly of Bridge No 1 along N. McCarthy Boulevard, including curved stone planter walls, gateway columns with entry sign appurtenant mounding ornamental plantings

including flat work, trees and ground cover, irrigation systems; all as shown on landscape plans.

5. Lighting costs in the Maintenance Assessment District are limited to the supplemental pedestrian lights installed between each of the 2 street lights on the section of curved walkway located on the East Side of N. McCarthy Boulevard. The conventional lighting along McCarthy Boulevard is not included.

Milpitas Entry Sign

1. City of Milpitas Entry Identification Sign along N. McCarthy Blvd., including walls, columns, lighting and other appurtenances.

Ranch Drive

1. Commencing at a Northerly location where the right-of-way of Ranch Drive is contiguous with the right-of-way of Interstate 880, thence southerly, a strip of land approximately 10 feet in width measured from the east face of curb of Ranch Drive, from the northerly connection with Interstate 880 and Ranch Drive, southerly 630 feet, more or less, thence 405 feet south to the southerly end of Gateway location, varying in width from 10 feet to 132 feet, more or less.
2. Gateway Improvements, at the southerly connection of Ranch Drive and Interstate 880, including curved stone planter walls, gateway columns with entry sign appurtenant mounding ornamental plantings including flat work, trees and ground cover, irrigation systems; all as shown on landscape plans (Part A), except the Shopping Center's Monument Sign.

2.3. Overhead

In addition to the hard costs of maintaining the improvements mentioned above, the City will incur costs for staff time and expenses related to the management and maintenance of the improvements within the District. Staff time includes oversight and coordination of both City and contractor provided services, annual tax roll preparation, and addressing property owner questions and concerns. These activities are directly related to the maintenance of the improvements, and without them the improvements could not be efficiently completed or properly maintained on an ongoing basis.

3. ESTIMATE OF COSTS

The estimated costs of maintenance and servicing of the improvements as described in the Plans and Specifications are summarized below. Each year, as part of the assessment district levy calculation process, the costs and expenses are reviewed and the annual costs are projected for the following fiscal year.

3.1. District Budget

The Fiscal Year 2015/16 estimated cost budget for the maintenance and servicing of the improvements is as follows:

Description	Budget 2015/2016
Landscape Maintenance Contract Services ¹	\$134,675
Capital Equipment	0
Supplies	1,000
Utilities (Water, Electricity)	53,500
City Maintenance Staff	49,322
<u>Capital Improvement Program</u>	<u>17,690</u>
Maintenance Costs	\$256,187
NBS Financial	\$7,375
NBS Report Review	18,950
City Staff District Admin	3,000
<u>County Auditor-Controller Fee²</u>	<u>2,907</u>
District Specific Costs	\$32,232
Total District Costs	\$288,419
General Benefit Contribution ³	(15,371)
<u>Operating Reserve Contribution</u>	<u>17,690</u>
Net Amount to be Assessed	\$290,738
Total District Square Footage⁴	11,801,275
Rate per Square Foot⁵	\$0.02464
Maximum Rate Per Square Foot – 2015/16⁶	\$0.0404

(1) For 2015/16 Landscape Maintenance Contract Services includes Jensen Landscape \$78,705 and Irvine Company \$55,397.

(2) County Auditor-Controller Fee is currently 1% of the total levy submittal.

(3) General Benefit Contribution is not applied to District Specific Costs as these are special benefits to the District.

(4) Total District Square Footage includes the 50% reduction for Parcel 5-7 (Sewer Main Pump Station) and Parcel 5-3C (Storm Pump Station).

(5) The Rate per Square Foot equals the Net Amount to be Assessed / Total District Square Footage.

(6) The actual Rate per Square Foot levied cannot exceed the Maximum Rate per Square Foot. The April 2015 CPI was not available at the time of writing of this Report. The Fiscal Year 2015/16 CPI increase was estimated by using the February 2015 CPI.

Operating Reserve

It is the intent of the City to maintain an operating reserve which shall not exceed the estimated costs of maintenance and servicing of the improvements prior to December 10 of the fiscal year, or when the City expects to receive its apportionment of special assessments and tax collections from the County, whichever is later. The operating reserve balance information for the District is as follows:

Estimated Fiscal Year Ending 6/30/2015 Operating Reserve Cash Balance	\$107,000
Operating Reserve Collection – Fiscal Year 2015/16	17,690
Estimated Fiscal Year Ending 6/30/2016 Operating Reserve Cash Balance	\$124,690

4. SPECIAL AND GENERAL BENEFIT

The improvements defined in Section 2 are expected to confer certain special benefits to parcels within the District. The special benefits are described below.

4.1. Introduction

Pursuant to Article XIID, all parcels that receive a special benefit conferred upon them as a result of the installation, implementation and maintenance of the improvements, services and activities shall be identified, and the proportionate special benefit derived by each identified parcel shall be determined in relationship to the entire costs of the installation, implementation and maintenance of the improvements, services and activities.

Article XIID, Section 4(a) of the California Constitution limits the amount of any assessment to the proportional special benefit conferred on the property. Proposition 218 requires that the City separate the general benefit from special benefit, so that only special benefit may be assessed to properties within the District. Furthermore, Article XIID also provides that publicly owned properties must be assessed unless there is clear and convincing evidence that those properties receive no special benefit from the assessment.

4.2. Special Benefits Identified

The improvements described in Section 2 are expected to confer certain special benefits to parcels within the District. The special benefits conferred to property within the District can be grouped into three primary benefit categories: aesthetic benefit, safety benefit and economic benefit. The three district benefit categories are further expanded upon below.

- **Improved Aesthetics:** The aesthetic benefit relates to the increase in the overall aesthetics as a result of the ongoing maintenance, servicing and operation of the improvements within the District. The landscaping improvements enhance the overall image and desirability of the properties within the District. Street landscaping improvements improve the livability, commercial activity, appearance and desirability for properties within the District. Regular maintenance ensures that the improvements do not reach a state of deterioration or disrepair so as to be materially detrimental to properties adjacent to or in close proximity to the improvements. The overall appeal of the District is enhanced when improvements are in place and kept in a healthy and satisfactory condition. Conversely, appeal decreases when improvements are not well-maintained, unsafe, or destroyed by the elements or vandalism. Streetscapes have a significant effect on how people view and interact with their community.¹ With streetscapes that are safe and inviting, people are more likely to walk, which can help reduce automobile traffic, improve public health, stimulate local economic activity and attract residents and visitors to the community.²
- **Increased Safety:** Well maintained areas mitigate crime, especially vandalism, and enhance pedestrian safety. A recent study found that after landscape improvements were installed, there was a 46% decrease in crash rates across urban arterial and highway sites and a second study reviewed found a 5% to 20% reduction in mid-block crashes after trees and planters in urban arterial roads were put in place. In addition, there is less graffiti, vandalism, and littering in outdoor spaces with natural landscapes than in comparable plant-less spaces.³ The Victoria

¹ Victoria Transport Policy Institute. (2011). *Community Livability. Helping to Create Attractive, Safe, Cohesive Communities*. Retrieved from <http://www.vtpi.org/tdm/tdm97.htm>.

² Ibid.

³ Wolf, Kathleen L. (2010). *Safe Streets – A Literature Review*. In: *Green Cities: Good Health* (www.greenhealth.washington.edu). College of the Environment, University of Washington.

Transport Policy Institute has found that streetscapes reduce traffic speeds and when combined with improved pedestrian crossing conditions can significantly reduce collisions.⁴

- **Economic Activity:** Well maintained street landscape improvements not only make adjacent properties appear more stable and prosperous but can spur investment in the property. The National Complete Streets Coalition notes that street design that is inclusive of all modes of transportation, where appropriate, not only improves conditions for existing businesses, but also is a proven method for revitalizing an area and attracting new development.⁵ Landscaped sidewalks create an inviting place for customers to shop and do business.⁶ Well-maintained and safe District areas will encourage an increase in the overall pedestrian activity. The area will become more pedestrian friendly, thus improving the retail environment by encouraging individuals to shop, dine, and stay within the District boundaries. The District will provide a cleaner more inviting environment to businesses and consumers which will attract, retain and expand the retail and business climate throughout. The effort will reduce vacancy rates and increase lease rates and utilization of property within the District.

4.3. General Benefits Identified

Section 4 of Article XIID of the California Constitution provides that once a local agency which proposes to impose assessments on property has identified those parcels that will have special benefits conferred upon them and upon which an assessment will be imposed, the local agency must next “separate the general benefits from the special benefits conferred,” and only the special benefits can be included in the amount of the assessments imposed.

General benefit is an overall and similar benefit to the public at large resulting from the maintenance of the District’s improvements provided by the assessments levied. The improvements to be maintained by the District are located within the District boundaries only. There will be no District maintenance activities provided for improvements located outside of the District boundaries.

The ongoing maintenance of the District improvements will provide aesthetic, safety and economic activity benefits to the property within the District. However, it is recognized that the ongoing maintenance activities will also provide a level of benefit to some property within proximity to the District, as well as individuals passing through. Therefore, the general benefit created as a result of the District maintenance activities has been considered.

4.4. Quantification of Benefit

As a result of the maintenance and operation of the improvements, there will be a level of general benefit to people that do not work or intend to conduct business within the District. In order for property within the District to be assessed only for that portion of special benefits received from the district’s maintenance activities, general benefits provided by the ongoing maintenance of the improvements needs to be quantified. The amount of general benefit that is provided from the District’s maintenance activities cannot be funded via property owners’ assessments.

Based upon the City’s General Plan the streets within the City are classified into one of the following categories: freeway, expressway, arterial, collector or local streets. The landscaping improvements are primarily located along N McCarthy Boulevard and Ranch Drive, and situated within the public right-of-way. The portion of the maintained landscaping that is located along N McCarthy Boulevard (classified as an arterial street) provides some general benefit to pass-through traffic.

⁴ Victoria Transport Policy Institute. (2011). *Community Livability. Helping to Create Attractive, Safe, Cohesive Communities*. Retrieved from <http://www.vtpi.org/tdm/tdm97.htm>.

⁵ Pugliese, Philip. (2008). *Complete Streets provide all the elements of multi-modal transportation*. Retrieved from <http://www.americantrails.org/resources/trans/completestreets08.html>

⁶ U.S Department of Transportation. Federal Highway Administration. (2001). *Designing Sidewalks and Trails for Access, Part II of II: Best Practices Design Guide*. Retrieved from http://www.fhwa.dot.gov/environment/bicycle_pedestrian/publications/sidewalk2

Arterial streets are intended to provide a higher degree of mobility and generally serve longer vehicle trips. The landscape improvements within the District boundaries not only serve the parcels in the immediate vicinity, but persons who live outside of the District and are passing by. The City's Traffic Volumes Map⁷ does not identify the percentage of traffic, which is pass-through traffic. The City's Traffic Volumes Map does provide an estimated number of daily trips for N McCarthy Boulevard at the entrance of the District.

Street Name	Average Number of Vehicles per Day ¹
N McCarthy Boulevard – between SR 237 and Ranch Drive	35,050

(1) Average Number of Vehicles per Day is from the City of Milpitas Traffic Volumes Map⁸

Before the determination and allocation of the percentage of special and general benefit for the District can be made, the estimated pass-through traffic must be computed. The pass-through trips are vehicles driving along the maintained streets for a portion of their trips, but not working, shopping or conducting business in the District or benefiting from the landscaping improvements in place. In lieu of having a study that identifies the pass-through traffic, the estimated number of special benefit trips for each parcel based upon its land use has been used. Each parcel within the District was assigned an average daily number of special benefit trips according to the ITE Trip Generation report using the parcel's land use, building size or number of units. Further, to make sure the number of trips generated by the parcels has not been overstated, the percentage of total trips that are made internally within the development so that both the original and end destination are within the District has been considered. The total special benefit trips have been reduced by approximately 29% (13,810 trips) to account for internal trips between the various businesses within the District. The total number of special benefit trips is therefore 33,708.

Property Type	Combined Trip Generations
Hotel (ITE Land Use 310)	2,328
Office (ITE Land Uses 710, 714, 750)	15,809
Restaurant (ITE Land Uses 931, 932, 934)	6,965
Retail (ITE Land Uses 815, 820, 863, 869)	22,416
Total Trips	47,518
Internal Trip Reduction ¹	(13,810)
Total Special Benefit Trips	33,708

(1) The internal trip rate percentage was calculated by using the NCHRP 684 Internal Rate Capture Estimation Tool.⁹

The total of all special benefit trips was removed from the average number of vehicles per day traveling within the District to estimate the number of pass-through trips daily.

Street Name	Average Number of Vehicles per Day	Less: Estimated Special Benefit Trips	Estimated Number of Pass Through Trips	Estimated % General Benefit
McCarthy Boulevard	35,050	33,708	1,342	3.83%

⁷ City of Milpitas. (2007). *Traffic Volume Map*. Retrieved from <http://www.ci.milpitas.ca.gov>

⁸ Ibid.

⁹ Bochner, Brian S., Hooper, Kevin, Sperry, Benjamin and Dunphy, Robert. National Cooperative Highway Research Program, Transportation Research Board of National Academies (2011). *NCHRP Report 684 Enhancing Trip Capture Estimation for Mixed-use Developments*. Retrieved from onlinepubs.trb.org/onlinepubs/nchrp/nchrp_rpt_684.pdf

Based on the above calculations, the general benefit portion of the improved aesthetics, increased safety, and economic activity benefits resulting from the landscaping improvements is estimated to be 3.83%, rounded up to 4.00%.

Pass-thru Vehicle General Benefit	4.00%
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The commonly accepted distance people will walk for public transportation, goods and services is one-quarter mile.¹⁰ However, based on the location of the District, and given that it is bounded by State Route 880 and 237, and Coyote Creek, there is not an efficient or practical means of walking into the District. Although unlikely, a person may decide to use the paths within the District, and as such the general benefit portion of the improved aesthetics, increased safety, and economic activity benefits resulting from the landscaping improvements is estimated to be 1.00%.

Pass-thru Walking General Benefit	1.00%
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An estimated 1% of all US trips were made by bicycle.¹¹ Although the District is bounded by State Route 880 and 237, and Coyote Creek, there is a bike lane on N McCarthy Boulevard and a bike path along Coyote Creek.¹² According to the National Household Travel Surveys, 49% of bike trips are for recreation, exercise, and sports.¹³ As result of the District maintenance activities, there will be a level of general benefit to bicycle traffic that is not associated with property in the District. As such the general benefit portion of the improved aesthetics, increased safety, and economic activity benefits resulting from the landscaping improvements is estimated to be .50%, rounded up to 1.00%.

Pass-thru Biking General Benefit	1.00%
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Collective District-Wide General Benefit

Since the District is comprised of improved aesthetics, safety, and economic activity benefits resulting from the collective landscaping improvements, the activity of both pedestrians and vehicles must be addressed in a collective form rather than independently. The sum of the calculated general benefits is the total general benefit related to vehicle, walking, and biking pass-thru traffic. This general benefit result is provided in the table below:

Pass-thru Vehicle General Benefit	4.00%
Pass-thru Walking General Benefit	1.00%
Pass-thru Biking General Benefit	1.00%
Total General Benefit	6.00%

The general benefit, which is the percentage of the total budget that must be funded through sources other than assessments, is 6.00%. The special benefit then, which is the percentage of the budget that may be funded by assessments, is 94.00%.

¹⁰ Walkscore. (2014). Walk Score Methodology. Retrieved from <http://www.walkscore.com/methodology.shtml>
¹¹ U.S Department of Transportation. Federal Highway Administration. (2011). *Summary of Travel Trends: 2009 National Household Travel Survey*. (Report No. FHWA-PL-11-022). Retrieved from <http://nhts.ornl.gov>
¹² City of Milpitas. (2002). *General Plan*. Retrieved from <http://www.ci.milpitas.ca.gov>
¹³ Pucher, J., Buehler R., Meron, F., and Bauman, A. *American Journals of Public Health, Supplement 1, Vol 101, No S1 (2011)*. Walking and Cycling in the United States, 2001-2009: Evidence from the National Household Travel Surveys. Retrieved from <http://www.ncbi.nlm.nih.gov/pubmed/21551387>

4.5. Special Benefit Trips

The detailed breakdown of the estimated special benefit trips for each parcel in the District is shown in the following table:

Assmt ID	Assessor's Parcel No.	Land Use Description	Acreage	Gross Leasable Area	Average Trip Rate ¹	Estimated # of Daily Special Benefit Trips ²
1-1A-1	022-54-016	710 - General office	1.06	4,046	11.03	44.63
1-1A-2	022-54-017 ³	310 – Hotel	3.29	161	8.17	1,315.37
1-1A-3	022-54-018 ³	310 – Hotel	2.31	124	8.17	1,013.08
1-1A-4	022-54-019	934 - Fast Food	0.19	-	496.12	-
1-1B	022-54-008	934 - Fast Food	0.78	2,912	496.12	1,444.70
1-2	022-54-002 ⁴	820 - Shopping Center	0.58	5,400	42.70	230.58
1-3	022-54-003	932 - High Vol. Restaurant	1.02	5,465	127.15	694.87
1-4A	022-54-009 ⁴	869 - Home Superstore	8.47	100,000	20.00	2,000.00
1-4B	022-54-012 ⁴	820 - Shopping Center	3.02	20,000	42.70	854.00
1-4C	022-54-013	820 - Shopping Center	0.23	10,000	42.70	427.00
1-4D	022-54-015	931 - Quality Restaurant	1.78	7,846	89.95	705.75
1-4E	022-54-014 ⁴	932 - High Vol. Restaurant	0.64	3,000	127.15	381.45
1-4F	022-54-011 ⁴	820 - Shopping Center	1.31	8,000	42.70	341.60
1-4G	022-54-010	931 - Quality Restaurant	1.03	7,476	89.95	672.47
2-1	022-53-001	931 - Quality Restaurant	0.75	6,500	89.95	584.68
2-2	022-53-002 ⁴	820 - Shopping Center	1.23	10,000	42.70	427.00
2-3	022-53-003 ⁴	820 - Shopping Center	0.76	8,000	42.70	341.60
2-4	022-53-004	934 - Fast Food	0.60	2,000	496.12	992.24
2-5	022-53-005	934 - Fast Food	0.74	3,000	496.12	1,488.36
2-6	022-53-006	863 – Elect. Superstore	1.19	51,250	45.04	2,308.30
2-7	022-53-007	820 - Shopping Center	21.92	214,094	42.70	9,141.81
3	022-29-016	815 - Discount Superstore	14.56	125,000	50.75	6,343.75
4-1A-1	022-56-005	714 - Corp Headquarters	2.03	115,753	7.98	923.71
4-1A-2	022-56-006	714 - Corp Headquarters	2.06	174,483	7.98	1,392.37
4-1A-3	022-56-007	714 - Corp Headquarters	2.07	177,483	7.98	1,416.31
4-1A-4	022-56-008	Undeveloped	34.52	-	-	-
4-1A-5	022-56-009	Parking Lot	24.32	-	-	-
4-1B	022-29-037	Open Space	6.00	-	-	-
5-1A-1	022-29-034	750 - Office Park	36.66	572,660	11.42	6,539.78
5-2A-1	022-29-035	750 - Office Park	31.14	480,772	11.42	5,490.42
5-3A	022-29-036	Undeveloped	35.01	-	-	-
5-3B-1	022-30-037	Undeveloped	9.19	-	-	-
5-3B-2	022-30-038	Undeveloped	10.00	-	-	-
5-3B-3	022-30-039	Undeveloped	5.22	-	-	-
5-3C	022-30-035 ⁵	Pump Station	0.19	-	-	1.00
5-5A	022-30-048	Undeveloped	9.34	-	-	-
5-6	022-30-041	Open Space	1.43	-	-	-
5-7	022-30-049 ⁵	Sewer Pump Station	9.16	-	-	1.00
Total Estimated Daily Special Benefit Trips						47,517.83
Internal Trip Reduction ⁶						(13,810.00)
Total Special Benefit Trips						33,707.83

(1) Average Trip Rate per Day is from the Institute of Traffic Engineer's, Trip Generation Report.¹⁴

(2) Average Number of Special Benefit Trips per Day is the Average Trip Rate times each 1,000 square feet of gross leasable area.

(3) Average Number of Special Benefit Trips per Day is the Average Trip Rate times number of hotel rooms for this parcel.

(4) Building Square Feet for this parcel is unavailable at this time. Estimate of square feet was used based on similar building in center.

(5) Pump Station trips are an estimate.

(6) The internal trip rate percentage was calculated by using the NCHRP 684 Internal Rate Capture Estimation Tool.

¹⁴ Trip Generation, 9th Edition: An Informational Report of the Institute of Transportation Engineers. (2012). Washington, DC: Institute of Transportation Engineers.

5. METHOD OF ASSESSMENT

5.1. Introduction

The special benefits that accrue to the properties in the District are limited to those properties that abut an improved public street or which have been obligated by issuance of bonds for necessary public improvements (the "Benefitted Parcels"). Other properties in the District receive only a general benefit from the work of the improvements, and there is also some general benefit that accrues to the community as a whole. As outlined in Section 4, the total amount of general benefit from the improvements is determined to be 6.00%.

The Benefitted Parcels receive a special benefit proportionate to their net acreage and thus they are assessed on the basis of total net acreage for all costs associated with the maintenance and installation of the District's improvements, with the following exceptions:

- Of the 9.16 acres of parcel 022-30-049 (sewer pump station), 5.5 acres is the pump station and is not assessable. The remaining 3.66 acres does not benefit from landscaping as much as other Benefitted Parcels because it is dedicated to municipal sanitary sewer and storm facilities use and will not otherwise be developed. Therefore, it is assigned a special benefit equal to 50%.
- Parcel 022-30-035 (storm pump station) does not benefit from landscaping as much as other Benefitted Parcels because it is dedicated to municipal sanitary sewer and storm facilities use and will not otherwise be developed. Therefore, it is assigned a special benefit equal to 50%.
- Parcel 022-29-037 and parcel 022-30-041 are dedicated to open space and therefore do not receive special benefit from the maintenance and improvements.

5.2. Method of Assessment Spread

The amount of assessment levied on each Benefitted Parcel in the District, for Fiscal Year 2015/16, is \$0.02464 per square foot. The assessment rate was determined by taking the Fiscal Year 2015/16 Net Amount to be assessed divided by the total net square footage of the District.

The maximum assessment rate for Fiscal Year 2015/16 is estimated to be \$0.0404. Each year the maximum assessment rate per square foot shall be increased by the percentage change from April 1st of the prior fiscal year to April 1st of the current year in the U.S. Department of Labor, Bureau of Labor Statistics, Consumer Price Indexes, Pacific Cities and U.S. City Average, San Francisco-Oakland-San Jose.

5.3. Maximum Assessment Rates

The following table provides the maximum assessment rate for Fiscal Year 2001/02 through the current fiscal year:

Historical Maximum Rates				
Fiscal Year	CPI	% Increase ¹	Range	
2001/02	189.1	N/A	\$0.0120	\$0.0300
2002/03	193.0	2.06%	0.0122	0.0306
2003/04	197.3	2.23%	0.0125	0.0313
2004/05	198.3	0.51%	0.0126	0.0315
2005/06	202.5	2.12%	0.0129	0.0321
2006/07	208.9	3.16%	0.0133	0.0331
2007/08	215.842	3.32%	0.0137	0.0342
2008/09	222.074	2.89%	0.0141	0.0352
2009/10	223.854	0.80%	0.0142	0.0355
2010/11	227.697	1.72%	0.0144	0.0361
2011/12	234.121	2.82%	0.0149	0.0371
2012/13	238.985	2.08%	0.0152	0.0379
2013/14	244.675	2.38%	0.0155	0.0388
2014/15	251.495	2.79%	0.0160	0.0399
2015/16 ²	254.910	1.36%	0.0162	0.0404

- (1) Percentage increase from April 1 of the prior year to April 1 of the current year in the US Department of Labor, Bureau of Labor Statistics, Consumer Price Indexes, Pacific Cities and US City Average, San Francisco-Oakland-San Jose.
- (2) The April 1, 2015 CPI was not available at the time of writing of this Report. The Fiscal Year 2015/16 CPI increase was estimated by using the February 2015 CPI.

5.4. Appeals

Any property owner who feels that the amount of their assessment is in error as a result of incorrect information being used to apply the foregoing method of spread, may file an appeal with the Finance Director of the City. Any such appeal is limited to correction of an assessment during the current or, if before July 1, the upcoming fiscal year. Upon the filing of any such appeal, the Finance Director shall promptly review the information provided by the property owner and if he/she finds that the assessment should be modified, he/she shall have the authority to make the appropriate changes in the assessment roll. If any such changes are provided after the assessment roll has been filed with the County for collection, the Finance Director is authorized to refund to the property owner the amount of any approved reduction.

6. ASSESSMENT DIAGRAM

The following page provides a copy of the assessment diagram of the District.

Figure 1

An assessment was levied by the City Council of the City of Milpitas, County of Santa Clara, State of California on the lots, pieces and parcels of land shown on this assessment diagram. Said assessment was levied on the 3rd day of June 2014; said assessment diagram and the assessment roll were recorded in the Office of the Superintendent of Streets of said City on the 3rd day of June 2014. Reference is made to the assessment roll recorded in the Office of the Superintendent of Streets for the exact amount of such assessment levied against each parcel of land shown on this assessment diagram.

Filed in the Office of the City Clerk of the City of Milpitas, County of Santa Clara, State of California this 20th day of May, 2014.

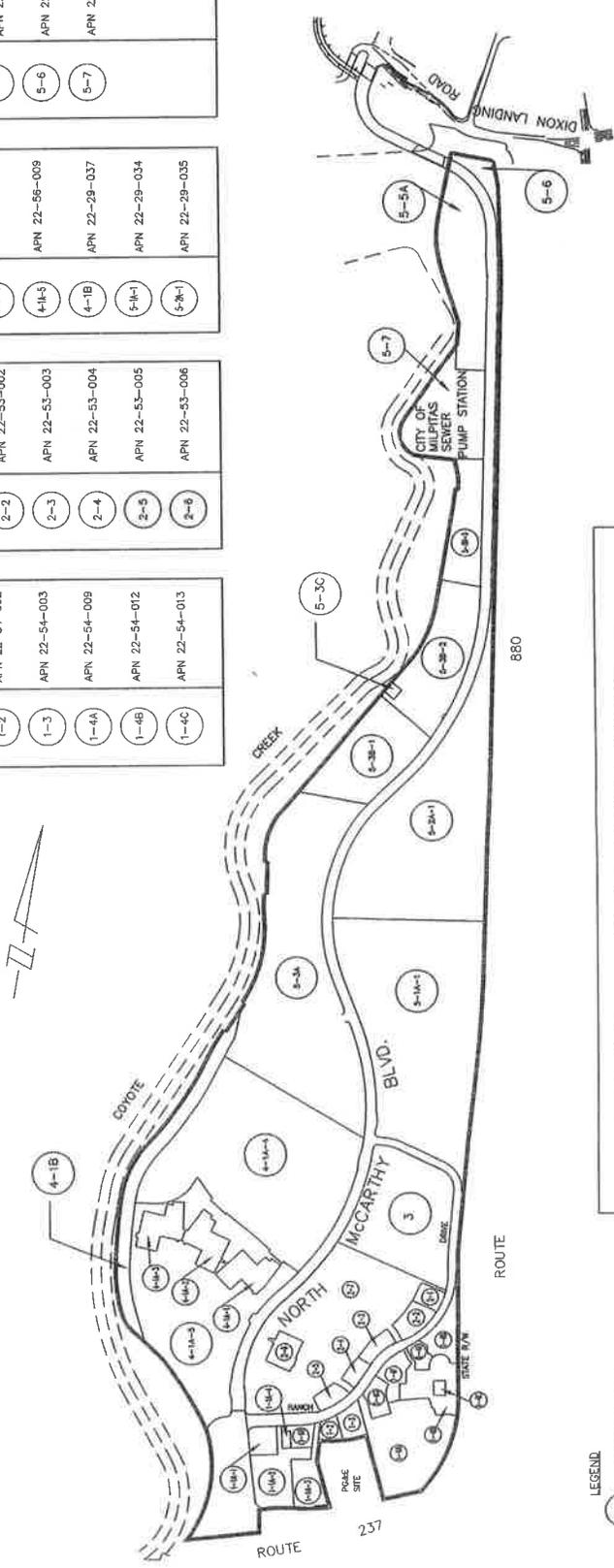
Recorded in the Office of the Superintendent of Streets of the City of Milpitas, County of Santa Clara, State of California, this 3rd day of June 2014.

Mary Lavelle
City Clerk of the City of Milpitas

Mary Lavelle
City Clerk of the City of Milpitas

Mary Lavelle
Superintendent of Streets
City of Milpitas

ASSESSMENT NO.	ASSESSOR'S PARCEL NO.						
1-1A-1	APN 22-54-016	1-40	APN 22-54-015	2-7	APN 22-53-007	5-3A	APN 22-29-036
1-1A-2	APN 22-54-017	1-4E	APN 22-54-014	3	APN 22-29-016	5-3B-1	APN 22-30-037
1-1A-3	APN 22-54-018	1-4F	APN 22-54-011	4-1A-1	APN 22-56-005	5-3B-2	APN 22-30-038
1-1A-4	APN 22-54-019	1-4G	APN 22-54-010	4-1A-2	APN 22-56-006	5-3B-3	APN 22-30-039
1-1B	APN 22-54-008	2-1	APN 22-53-001	4-1A-3	APN 22-56-007	5-3C	APN 22-30-035
1-2	APN 22-54-002	2-2	APN 22-53-002	4-1A-4	APN 22-56-008	5-5A	APN 22-30-048
1-3	APN 22-54-003	2-3	APN 22-53-003	4-1A-5	APN 22-56-009	5-6	APN 22-30-041
1-4A	APN 22-54-009	2-4	APN 22-53-004	4-1B	APN 22-29-037	5-7	APN 22-30-049
1-4B	APN 22-54-012	2-5	APN 22-53-005	5-1A-1	APN 22-29-034		
1-4C	APN 22-54-013	2-6	APN 22-53-006	5-1A-1	APN 22-29-035		

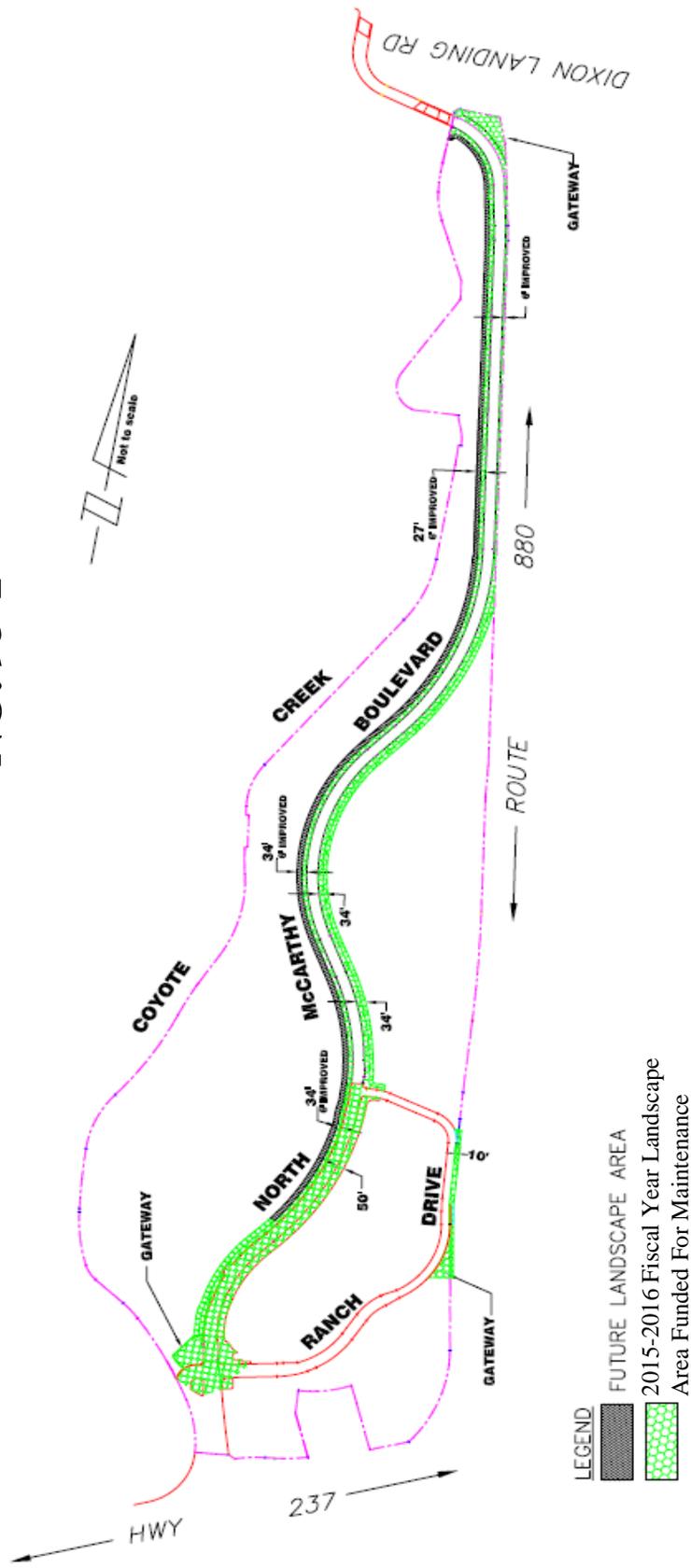


LEGEND
 6 ASSESSMENT NO.
 BOUNDARY DISTRICT
 ASSESSMENT LIMIT

PART I - ASSESSMENT DIAGRAM
 LANDSCAPING & LIGHTING & MAINTENANCE
 ASSESSMENT DISTRICT NO. 95-1
 OF
 CITY OF MILPITAS
 COUNTY OF SANTA CLARA - STATE OF CALIFORNIA

Note:
 Reference is hereby made to the maps and deeds of record in the Office of the Assessor of the County of Santa Clara for a detailed description of the lines and dimensions of any parcels shown hereon. These maps shall govern for all details concerning the lines and dimensions of such parcels. Each parcel is identified in said maps by its distinctive Assessor's Parcel Number.

Landscape and Lighting Maintenance Assessment District NO. 95-1



PART G - VICINITY MAP
 LANDSCAPING & LIGHTING MAINTENANCE
 ASSESSMENT DISTRICT NO. 95-1
 CITY OF MILPITAS
 COUNTY OF SANTA CLARA - STATE OF CALIFORNIA

7. ASSESSMENT ROLL

The assessment roll is a listing of the proposed assessment for Fiscal Year 2015/16 apportioned to each lot or parcel, as shown on the last equalized roll of the Assessor of the County of Santa Clara. The following page shows the assessment roll for Fiscal Year 2015/16.

City of Milpitas
Landscaping and Lighting Maintenance Assessment District
No. 95-1

Fiscal Year 2015/16 Assessment Roll

APN	Assessment ID	Owner	Net Square Feet	Amount
022-54-016	1-1A-1	HOURET FAM LP	46,173.60	\$1,137.54
022-54-017	1-1A-2	BRE SELECT HOTELS PROPERTIES LLC	143,312.40	3,530.67
022-54-018	1-1A-3	LL MILPITAS, L P	100,623.60	2,478.98
022-54-019	1-1A-4	IN N OUT BURGERS	8,276.40	203.90
022-54-008	1-1B	IN N OUT BURGERS	33,976.80	837.06
022-54-002	1-2	FIRST CREEKSIDE ASSOC	25,264.80	622.43
022-54-003	1-3	LOO YUK LUN TRUSTEE & ET AL & LOO MEI FONG	44,431.20	1,094.62
022-54-009	1-4A	MCCARTHY SHOPPING CTR LP	368,953.20	9,089.60
022-54-012	1-4B	F&M SORCI LAND COMPANY INC	131,551.20	3,240.92
022-54-013	1-4C	F&M SORCI LAND COMPANY INC	10,018.80	246.82
022-54-015	1-4D	PACIFIC MERITAGE LLC	77,536.80	1,910.21
022-54-014	1-4E	J N C INTERNATIONAL ENTPRS LLC	27,878.40	686.82
022-54-011	1-4F	FIRST CREEKSIDE ASSOC	57,063.60	1,405.83
022-54-010	1-4G	H & Y NORTHERN CALIFORNIA LLC	44,866.80	1,105.35
022-53-001	2-1	HAM JAYNE Y	32,670.00	804.86
022-53-002	2-2	TMS MCCARTHY LP	53,578.80	1,319.98
022-53-003	2-3	TMS MCCARTHY LP	33,105.60	815.60
022-53-004	2-4	HSC ASSOCIATES LP	26,136.00	643.89
022-53-005	2-5	HSC ASSOCIATES LP	32,234.40	794.13
022-53-006	2-6	TMS MCCARTHY LP	51,836.40	1,277.05
022-53-007	2-7	TMS MCCARTHY LP	954,835.20	23,523.49
022-29-016	3	WAL-MART REAL ESTATE	634,233.60	15,625.09
022-56-005	4-1A-1	BRE/MILPITAS LLC	88,426.80	2,178.50
022-56-006	4-1A-2	BRE/MILPITAS LLC	89,733.60	2,210.69
022-56-007	4-1A-3	BRE/MILPITAS LLC	90,169.20	2,221.42
022-56-008	4-1A-4	BRE/MILPITAS LLC	1,503,691.20	37,045.21
022-56-009	4-1A-5	BRE/MILPITAS LLC	1,059,379.20	26,099.06
022-29-037	4-1B	CITY OF SAN JOSE	0.00	0.00
022-29-034	5-1A-1	CALIFORNIA DIVERSIFIED LLC	1,596,909.60	39,341.76
022-29-035	5-2A-1	CALIFORNIA DIVERSIFIED LLC	1,356,458.40	33,417.96
022-29-036	5-3A	MCCARTHY RANCH LP	1,525,035.60	37,571.05
022-30-037	5-3B-1	MCCARTHY RANCH LP	400,316.40	9,862.27
022-30-038	5-3B-2	NEW TREND TECH INC	435,600.00	10,731.52
022-30-039	5-3B-3	MCCARTHY RANCH LP	227,383.20	5,601.85
022-30-035	5-3C (Storm Pump Station)	MILPITAS CITY OF	4,138.20	101.95
022-30-048	5-5A	MCCARTHY RANCH LP	406,850.40	10,023.24
022-30-041	5-6 (Open Space)	CITY OF MILPITAS	0.00	0.00
022-30-049	5-7 (Sewer Pump Station)	MILPITAS SANITARY DIST	78,625.80	1,937.04
			11,801,275.20	\$290,738.36